

David Whitaker, Esq.
Director
Irvin Corley, Jr.
Executive Policy Manager
Marcell R. Todd, Jr.
Director, City Planning
Commission
Janese Chapman
Director, Historic Designation
Advisory Board

John Alexander
Megha Bamola
LaKisha Barclift, Esq.
Nur Barre
M. Rory Bolger, Ph.D., AICP
Elizabeth Cabot, Esq.
Tasha Cowen


City of Detroit

CITY COUNCIL

LEGISLATIVE POLICY DIVISION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-4946 Fax: (313) 224-4336

George Etheridge
Christopher Gulock, AICP
Derrick Headd
Marcel Hurt, Esq.
Kimani Jeffrey
Anne Marie Langan
Jamie Murphy
Kim Newby
Analine Powers, Ph.D.
Jennifer Reinhardt, AICP
Rebecca Savage
Sabrina Shockley
Thomas Stephens, Esq.
David Teeter
Theresa Thomas
Kathryn Lynch Underwood, MUP
Ashley A. Wilson

TO: COUNCIL MEMBERS

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: July 13, 2021

RE: Corktown Mixed-Use Brownfield Redevelopment Plan PA 381 of 1996
PUBLIC HEARING

The Brownfield Redevelopment Financing Act 381 of 1996 provides tax incentives (i.e. tax increment financing) to develop brownfields properties in an area at or on which there has been a release (or threat of release) or disposal of a hazardous substance.

Corktown Mixed-Use Brownfield Redevelopment Plan

Oxford Perennial Corktown PropCo, LLC, a subsidiary of Oxford Capital Group, LLC,¹ is the project developer and owner of the property in the plan, which consists of twelve (12) parcels on two city blocks in the Corktown neighborhood on the southwest side of Detroit. The property was developed as residential in the late 1800s. However, by 1935, the residences had been demolished, and the property was used for various commercial purposes. The frontage along Michigan has historically been used for a variety of commercial and retail uses. 1611 Michigan Avenue was used for clothing manufacture. The block south of Church Street between 10th Street and Trumbull Street was historically used for residential and commercial purposes, including storage.

The property consists of commercial vacant lots and a retail/restaurant space with 2,091 sq. ft. The owner plans to construct a 7-story mixed-use building with approximately 204,260 square feet, not including a 10,656 square foot terrace amenity. The 204,260 square feet includes 134,376 square feet of apartments (188 units over floors 2-7, with at least 10% of the apartments designated as affordable²); 24,491 square feet of core/circulation space; 3,547 square feet of

¹ <https://www.oxford-capital.com/multi-family/>

² Typically, a housing project of this size with a tax abatement sets aside 20% of the units as affordable.

lobby space; 4,168 square feet of residential storage; 6,245 square feet of service/back-of-house space; 8,055 square feet of amenity space (not including the terrace); 9,149 square feet of amenity space; and 14,220 square feet of garage space (26 spaces). The seven townhouses will each be approximately 2,100 square feet and include a ground level integrated parking garage and a fourth-story rooftop terrace. The 3-story parking structure will contain 216 parking spaces and 3,200 square feet of ground-floor retail. Site development also includes infrastructure improvements, including sidewalks, brick paver walks, curbs, asphalt paving, and landscaping in the public right-of-way. The seven parcels on the block north of Church Street will be combined into a single parcel, and the five parcels on the block south of Church Street will be combined into a single parcel.

It is currently anticipated construction will begin in late 2021, and eligible activities will be completed within 24 months from commencement of construction. The completed project is also expected to create an estimated 300 temporary construction jobs and 12 new full-time equivalent (FTE) jobs.³

The developer is requesting a **\$16,517,520** TIF⁴ reimbursement, with the overall value of the plan estimated at **\$21,723,274**, which includes local brownfield costs.⁵ The developer is also seeking the approval of a Commercial Rehabilitation Act (PA 210) Tax Abatement. The estimated capital investment for this project is approximately **\$93 million**.

Based on the level of investment, as required by the City's Detroit Community Benefits Ordinance (CBO) ordinance, The Michigan and Church Street Neighborhood Advisory Council (the "NAC") was established on Thursday April 1, 2021 for the purpose of participating in the Community Benefits Process, as mandated.⁶

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized for a commercial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property parcels are determined to be facilities, blighted, or adjacent and contiguous as detailed below and defined by Act 381 and Part 201 of NREPA, as applicable.

Description of the Eligible Property & Legal Description

The property comprising the eligible property consists of twelve (12) parcels.

³ According to the jobs chart submitted to Council President Brenda Jones.

⁴ Tax Increment Financing (TIF) subsidizes an entity by refunding or diverting a portion of their taxes to help finance development in an area or on a project site.

⁵ The duration of the TIF plan is 30 years.

⁶ At the completion of the six required CBO meetings, the NAC offered a letter of support for the approval of the Michigan and Church Street Project's Tier 1 Community Benefits Provision, dated May 13, 2021.

| Address | Parcel ID | Legal Description |
|-------------------|--------------|--|
| 1645 Michigan Ave | 08000512.001 | S MICHIGAN 4-3-2-1 EXC MICHIGAN AVE AS WD AND N 1/2 VAC ALLEY ADJ CONNORS SUB L1 P71 PLATS, W C R 8/23 30-29 EXC MICHIGAN AVE AS WD AND N 1/2 VAC ALLEY ADJ G L BEECHERS SUB L21 P81 PLATS, W C R 8/24 164.9 IRREG |
| 1623 Michigan Ave | 08000511 | S MICHIGAN 5 EXC MICHIGAN AVE AS WD AND N 1/2 VAC ALLEY ADJ CONNORS SUB L1 P71 PLATS, W C R 8/23 64.14 X 41.60 |
| 1611 Michigan Ave | 08000510 | S MICHIGAN N 180 FT OF BLK 82 EXC MICHIGAN AVE AS WD WOODBRIDGE FARM L1 P146 PLATS, W C R 8/2 LOTS 6-7 EXC PT DEEDED FOR ALLEY CONNORS SUB L1 P71 PLATS, W C R 8/23 31 G L BEECHERS SUB L21 P81 PLATS, W C R 8/24 ALSO THAT PT OF 4 LYG S & ADJ SD LOTS 6 & 7 & E & ADJ SAID LOT 31 P C 27 8/3 83.12 IRREG |
| 1622 Church | 08000496 | N CHURCH 17 BLK 2 LUTHER BEECHERS SUB L2 P27 PLATS, W C R 8/19 33 X 115 |
| 1614 Church | 08000497 | N CHURCH 18 BLK 2 LUTHER BEECHERS SUB L2 P27 PLATS, W C R 8/19 33 X 115 |
| 1610 Church | 08000498 | N CHURCH W 1/2 14 EXC N 7.4 FT OF W 20.20 FT BLK 82 WOODBRIDGE FARM L1 P146-7 PLATS, W C R 8/2 35.4 IRREG |
| 1606 Church | 08000499 | N CHURCH E 1/2 14 BLK 82 WOODBRIDGE FARM L1 P146-7 PLATS, W C R 8/2 35.4 IRREG |
| 1541 Church | 08000461 | S CHURCH W 1/2 4 BLK 80 WOODBRIDGE FARM L1 P146-7 PLATS, W C R 8/2 26.5 X 130 |
| 1537 Church | 08000460 | S CHURCH E 1/2 4 BLK 80 WOODBRIDGE FARM L1 P146-7 PLATS, W C R 8/2 26.5 X 130 |
| 1533 Church | 08000459 | S CHURCH W 1/2 3 BLK 80 WOODBRIDGE FARM L1 P146-7 PLATS, W C R 8/2 26 X 130 |
| 1525 Church | 08000458 | S CHURCH E 1/2 3 BLK 80 WOODBRIDGE FARM L1 P146-7 PLATS, W C R 8/2 26 X 130 |
| 1501 Church | 08000457 | S CHURCH 1-2 BLK 80 WOODBRIDGE FARM L1 P146-7 PLATS, W C R 8/2 121 X 130 |



Rendering of the completed project

Tax increments are projected to be captured and applied to (i) reimbursement of eligible activity costs and payment of DBRA administrative and operating expenses, (ii) make deposits into the State Brownfield Redevelopment Fund, and (iii) make deposits into the DBRA's Local Brownfield Revolving Fund, as follows:

COSTS TO BE REIMBURSED WITH TIF⁷

| Description of Eligible Activities | Estimated Cost |
|--|---------------------|
| BEA Activities | \$25,000 |
| Due Care Activities | \$50,000 |
| Additional Response Activities | \$219,516 |
| Demolition & Abatement | \$52,100 |
| Infrastructure Improvements | \$7,884,482 |
| Site Preparation | \$2,235,543 |
| 15% Brownfield Contingency | \$1,566,246 |
| Brownfield Plan/Work Plan Preparation | \$30,000 |
| Brownfield Plan/Work Plan Implementation | \$30,000 |
| Interest | \$4,424,633 |
| Subtotal Eligible Activities | \$16,517,520 |
| DBRA Administrative Costs | \$2,875,620 |
| State Revolving Fund | \$896,523 |
| Local Brownfield Revolving Fund | \$1,433,611 |
| Total Estimated Cost to be Funded Through TIF | \$21,723,274 |

| | Reimbursement Costs | Adm. Costs | State Brownfield Fund | Local Revolving Fund | Total |
|-------------------------------|------------------------|--------------------|-----------------------------|----------------------------|---------------------|
| School | | | | | |
| Operating | \$5,201,611 | \$0 | \$0 | \$155,468 | \$5,357,079 |
| SET | \$866,935 | \$0 | \$896,523 | \$25,911 | \$1,789,369 |
| Wayne County Charter | \$1,428,207 | \$393,051 | \$0 | \$171,160 | \$1,992,418 |
| Wayne County | \$250,252 | \$68,871 | \$0 | \$29,991 | \$349,113 |
| Wayne County Public Safety | \$237,204 | \$65,280 | \$0 | \$28,427 | \$330,912 |
| Wayne County Parks | \$62,177 | \$17,112 | \$0 | \$7,451 | \$86,740 |
| HCMA | \$54,111 | \$14,892 | \$0 | \$6,485 | \$75,488 |
| City of Detroit | \$5,044,985 | \$1,388,410 | \$0 | \$604,604 | \$7,037,998 |
| RESA | \$24,401 | \$6,715 | \$0 | \$2,924 | \$34,040 |
| Wayne County RESA | \$851,569 | \$234,357 | \$0 | \$102,054 | \$1,187,980 |
| Wayne County Special Ed | \$505,712 | \$139,175 | \$0 | \$60,606 | \$705,493 |
| Wayne County RESA ENH | \$819,456 | \$225,519 | \$0 | \$98,206 | \$1,143,181 |
| Library | <u>\$1,170,901</u> | <u>\$322,239</u> | <u>\$0</u> | <u>\$140,324</u> | <u>\$1,633,463</u> |
| TOTALS | \$16,517,520 | \$2,875,620 | \$896,523 | \$1,433,611 | \$21,723,274 |

In addition, the following taxes are projected to be generated but shall not be captured during the life of this Plan:

| | |
|------------------------|--------------------|
| City Debt | \$3,761,713 |
| School Debt & Judgment | \$5,932,073 |
| Wayne County Zoo | \$45,629 |
| Wayne County DIA | <u>\$91,263</u> |
| Total | \$9,830,678 |

⁷ A maximum fifteen percent (15%) contingency for unforeseen circumstances and cost overruns may be added to the estimated cost of the proposed activities. The contingency should not be calculated on the costs for Brownfield Plan, Work Plan preparation or implementation, or for activities conducted prior to Work Plan submittal. Act 381 Work Plan Guidance

Feasibility of the Brownfield Approval

The “eligible activities” that are intended to be carried out at the Property are considered “eligible activities” as defined by Section 2 of Act 381, because they include department specific activities, due care activities, demolition, site preparation, infrastructure improvements, interest and the development, preparation and implementation of a brownfield plan and/or Act 381 work plan(s).

Environmental subsurface investigations were conducted on the Property in July 2019. 13 soil borings were drilled. Groundwater was not encountered. On the 1611 Michigan Avenue parcel, concentrations of various volatile organic compounds (VOCs), semi volatile organic compounds (SVOCs), and metals were detected at concentrations that exceeded Michigan Department of Environment, Great Lakes, and Energy (EGLE) General Residential Cleanup Criteria (GRCC) in soil. On the 1501 Church Street parcel, concentrations of arsenic, chromium, and selenium that exceeded EGLE GRCC were detected in soil. As a result, these parcels have been determined to be a “facility” pursuant to Part 201. In March 2021, SME conducted geotechnical evaluations on the Property. SME’s evaluations supplemented previous evaluations from 2019. The geotechnical evaluations encountered substantial buried demolition debris, which renders the Property unfit for its intended use, on 1611 Michigan Avenue, and on 1541, 1525, and 1501 Church Street.



View of the proposed parking structure at 1501-1541 Church

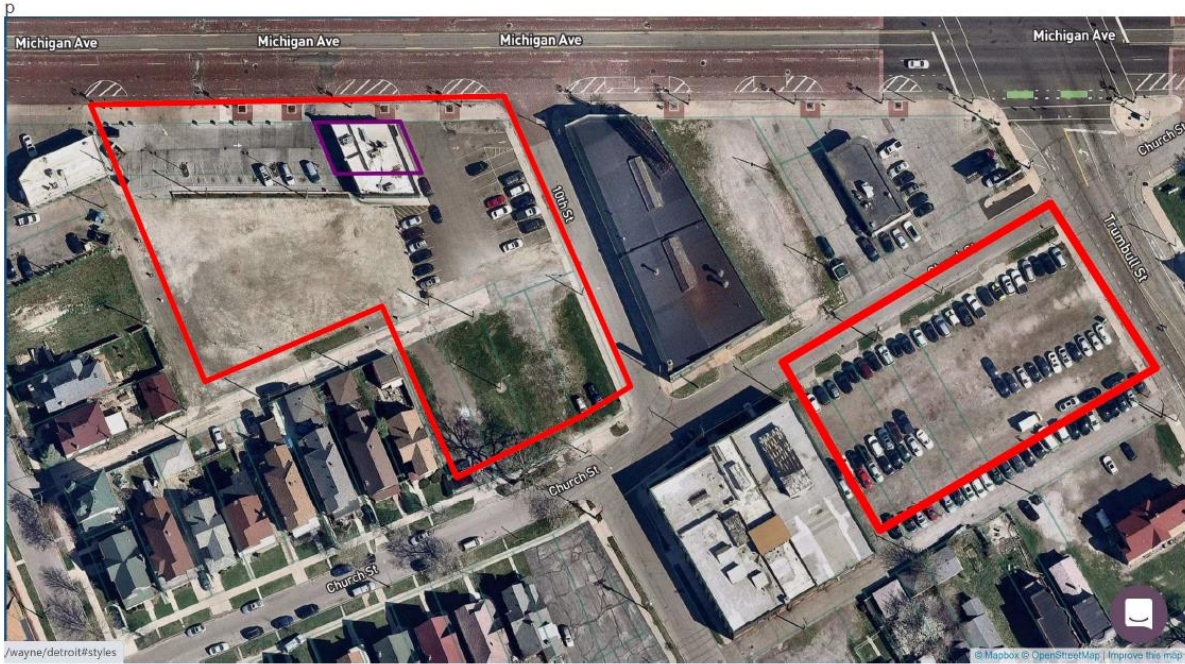


View of the proposed townhouses from 1606-1622 Church

Please contact us if we can be of any further assistance.

cc: Auditor General's Office
Donald Rencher, Chief of Services and Infrastructure
Katy Trudeau, Planning and Development Department
Julie Schneider, HRD
Veronica Farley, HRD
Stephanie Grimes Washington, Mayor's Office
Avery Peeples, Mayor's Office
Malinda Jensen, DEGC
Kenyetta Bridges, DEGC
Jennifer Kanalos, DEGC
Brian Vosburg, DEGC
Cora Capler, DEGC

Figure 2
Eligible Property Boundary



Property Eligibility Map



PERENNIAL CORKTOWN DETROIT, MICHIGAN

- OWNER** OXFORD PERENNIAL CORKTOWN
PROP CO, LLC
300 WEST HUBBARD
SUITE 400
CHICAGO, ILLINOIS 60604
- ARCHITECT** NEUMANN SMITH ARCHITECTURE
400 GALLERIA OFFICENTRE, SUITE 555
SOUTHFIELD, MI 48034
248.352.8310
- DESIGN ARCHITECT** ELKUS MANFREDI ARCHITECTS
25 DRYDOCK AVENUE
BOSTON, MASSACHUSETTS 02210
(817) 308-3217
- CONSTRUCTION CONTRACTOR** CHRISTMAN NORCON
THE CHRISTMAN BUILDING
200 N. CAPITOL AVENUE
LANSING, MICHIGAN 48933
(517) 452-1498
- CIVIL ENGINEER** GIFFELS WEBSTER
28 W. ADAMS STREET
SUITE 1200
DETROIT, MICHIGAN 48226
(313) 962-4442
- LANDSCAPE ARCHITECT** GRISSIM METZ ANDRIESE
311 EAST CASH STREET
SUITES A & B
NORTHVILLE, MICHIGAN 48167
(248) 347-7010
- STRUCTURAL ENGINEER** RESURGET ENGINEERING PLC
4219 WOODWARD AVENUE
SUITE 308
DETROIT, MICHIGAN 48201
(313) 315-3236
- MECH/ELECT/PLUMB ENGINEER** IMEG CORP
211 SOUTH LASALLE
SUITE 500
CHICAGO, ILLINOIS 60604
(312) 901-3701
- TECHNOLOGY CONSULTANT** FORESITE NETWORK SERVICES
205 JARRE LANE
WALCONDA, ILLINOIS 60394
(847) 362-8600
- SOILS / ENVIRONMENTAL ENGINEER** SME
4219 WOODWARD AVENUE, SUITE 204
DETROIT, MICHIGAN 48201
(313) 922-7000



DEFERRED SUBMITTALS

THE FOLLOWING SUBMITTALS ARE TO BE SUBMITTED TO THE CITY OF DETROIT BUILDING DEPARTMENT AFTER REVIEW BY THE REQUIRED DESIGN PROFESSIONALS IN RESPECTFUL ORDER:

- 1. CIVIL
- 2. MECH/ELECT/PLUMB
- 3. SOILS
- 4. ENVIRONMENTAL
- 5. FIRE PROTECTION
- 6. FIRE ALARMS ILLUMINATED ESCAPE, EXTERIOR AND EXIT SIGNAGE AND FINISHES
- 7. PAINT FINISHES
- 8. STREETSIDE AND LANDSCAPE SYSTEMS

NEUMANN SMITH
ARCHITECTS
SOUTHFIELD 48067
400 Galleria Officentre
Suite 555
Southfield, Michigan 48034
Phone 248.352.8310
Fax 248.352.1871
www.neumannsmith.com

ELKUS | MANFREDI
ARCHITECTS
25 Drydock Avenue
Boston, Massachusetts 02210
Tel: 817.308.3217

PERENNIAL CORKTOWN
1611 Michigan Avenue
Detroit, MI 48216

03.20.2021 Design Development
07.02.2021 Schematic Design

PSB [] Approved
PBB [] Approved
PBB [] Approved
JLS [] Approved
RFB [] Approved

DATE: 03.20.2021
PROJECT: 2020009
SHEET: TITLE SHEET

City of Detroit
CITY COUNCIL

COUNCIL PRESIDENT BRENDA JONES

INCENTIVE INFORMATION CHART:

| Project Type | Incentive Type | Investment Amount | District |
|-----------------------------|-----------------------|-------------------|----------|
| New Construction/Renovation | Brownfield TIF/PA 210 | \$95.3 million | 6 |

| Jobs Available | | | | | | | |
|----------------|------------------|---------------|-------------------|-------------------|------------------|---------------|-------------------|
| Construction | | | | Post Construction | | | |
| Professional | Non-Professional | Skilled Labor | Non-Skilled Labor | Professional | Non-Professional | Skilled Labor | Non-Skilled Labor |
| 40 | 20 | 210 | 30 | 2 | 4 | 4 | 2 |

1. What is the plan for hiring Detroiters? The developer will incentivize local hiring practices for both post-construction staff and construction workers. Please see attached sheet for additional information.
2. Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc. Initially jobs will be construction skilled and unskilled laborers, but eventually jobs will include property management and staff. The estimates above do not include ~50 jobs expected to be created by retail tenants.
3. Will this development cause any relocation that will create new Detroit residents? This development will likely help with the revitalization of Michigan Avenue and Corktown, which will attract new residents.
4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs? We are currently working with City of Detroit offices in the current iteration of this project. We look forward to engaging the community on this project.
5. When is construction slated to begin? Late 2021
6. What is the expected completion date of construction? Late 2023

*Please contact Linda Wesley at (313) 628-2993 or wesleyl@detroitmi.gov to schedule a date to attend the Skilled Trades Task Force.



Incentive Information Chart – Corktown Mixed-Use

1. Throughout the development process we have had multiple meetings and calls with Corktown residents, City officials, and local community groups where we have made the commitment that we will give first priority for all jobs to Detroit residents, and specifically Corktown residents. We will incentivize local hiring practices for both post-construction staff and construction workers, via D2D and Skilled Trades Task Force. Executive Order 2016-1 will be followed. If possible, we will post the initial job postings on the Detroit and Work website a few weeks before utilizing other hiring/recruiting services. We also plan to do special recruiting at all the local Detroit schools to find interested applicants.
2. Initially jobs will be construction skilled and unskilled laborers, but eventually jobs will include property management and staff. The estimates above do not include ~50 jobs expected to be created by retail tenants, outside of the control of the developer.
3. This development will likely help with the revitalization of Michigan Avenue and Corktown, which will attract new residents. Given the additional job opportunities, primarily from the retail tenants, as well as the new residences, it appears likely that the development will create new Detroit residents.
4. Over the last year we have been very focused on involving the community in our development and plans. On several occasions, we have met with various community and business leaders, in a series of meetings, to introduce the project. Subsequently, as schematic plans progressed, we then participated in a series of community meetings, culminating in a Community Benefits Agreement for the project. We also participated in Historic District Commission meetings, and altered the development based on community and historic input. Throughout the engagement process, public commentary has been supportive of the project and we have taken the communities concerns into account in our plans and design. In regards to jobs, we have had several calls with CRIO and Detroit at Work and plan to work with both to hire employees once we are ready to do so.
5. Late 2021
6. Late 2023

Attachment B

TO: THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY

FROM: DETROIT, BUILDINGS, SAFETY ENGINEERING, AND ENVIRONMENTAL DEPARTMENT

PROJECT: Hunter Pasteur Homes

DATE: 06/14/2021

The undersigned, from the City of Detroit, Buildings, Safety Engineering, and Environmental Department acknowledges the receipt of the environmental documents listed below, which have been submitted by Hunter Pasteur Homes, as developer, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment Authority (DBRA), for the Corktown Mixed Use Project.

- 2 Phase I Environmental Site Assessment, pursuant to USEPA's. All Appropriate Inquiry using American Society of Testing Materials (ASTM) Standard E 1527-13
- 2 Phase II Environmental Site Assessment, pursuant to ASTM Standard 1903 (if appropriate)
- Baseline Environmental Assessment, pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act, MCL 324.20101 *et seq.* (if appropriate).
- Due Care Plan, pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act, MCL 324.20101 *et seq.* (if appropriate).

Based upon its review of the above environmental documents and the representations of the developer, the City of Detroit, Buildings, Safety Engineering, and Environmental Department agrees with the environmental consultant that the site is a facility and has determined that the documents received for this project satisfy the DBRA Guidelines.

City of Detroit, Buildings, Safety
Engineering, and Environmental Department

By: Anita Harrington
Its: Environmental Specialist III

Lauren Hood, MCD
Chairperson
Donovan Smith
Vice Chair/Secretary

Marcell R. Todd, Jr.
Director

City of Detroit
CITY PLANNING COMMISSION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-6225 Fax: (313) 224-4336
e-mail: cpc@detroitmi.gov

Brenda Goss Andrews
Kenneth Daniels
Damion W. Ellis
David Esparza, AIA, LEED
Gwen Lewis
Frederick E. Russell, Jr.

June 15, 2021

Jennifer Kanalos, Authorized Agent
Detroit Brownfield Redevelopment Authority
500 Griswold, Suite 2200
Detroit, MI 48226

RE: Corktown Mixed-Use Redevelopment Project

Attached is the review by staff to the City Planning Commission (as part of the Legislative Policy Division (LPD)) of the Brownfield Blight application for the Corktown Mixed-Use Redevelopment Project. Staff has reviewed the proposed Brownfield project in light of the criteria for blight as defined in the Brownfield Redevelopment Act, PA 381.

Based on the information submitted, the proposed project appears to meet at least one of the blighted property criteria. As provided in the Act, a property must meet any one of seven criteria listed in Section 2(c). Attached is an "Initial Blighted Determination DBRA Brownfield Redevelopment" form, as well as the "Application for Brownfield Blight Determination" for the subject project.

Please contact Kathryn Lynch Underwood of our staff with any questions.

Sincerely,



Marcell R. Todd, Jr., Director
Kathryn Lynch Underwood, Staff

Initial Blighted Determination
DBRA Brownfield Redevelopment

The Brownfield Redevelopment Financing Act (Act 381) is intended to promote the revitalization, redevelopment and reuse of certain properties. These properties can be eligible for inclusion in a brownfield plan if determined to be blighted, functionally obsolete or a facility as defined by Act 381.

The ***Corktown Mixed-Use Redevelopment Project*** is a proposed DBRA brownfield project that will include the **four (4) properties** located generally within the boundaries of **Michigan Avenue, Trumbull Street, Church Street, and 10th Street**.

Blighted property must meet any of several qualifying criteria as determined by the governing body, which include

1. Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
2. Is an attractive nuisance to children because of physical condition, use, or occupancy.
3. Is a fire hazard or is otherwise dangerous to the safety of persons or property.
4. Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.
5. Is tax reverted property owned by a qualified local governmental unit, by a county, or by the state.
6. Is property owned or under control of a land bank fast track authority under the land bank fast track act
7. Has substantial subsurface demolition debris buried on the site so that the property is unfit for its intended use.

The City of Detroit Planning Commission staff has been designated, by approval of City Council resolution on July 29, 2008 to make the initial determination of eligibility of blighted status for properties with that designation that will be included in DBRA brownfield plans.

The City of Detroit Planning Commission staff hereby makes the initial determination the property identified above for inclusion in the proposed brownfield project identified **qualifies as blighted according to criterion #7**, as defined in Act 381.

May 13, 2021

Katy Trudeau
Director of Planning and Development
City of Detroit
2 Woodward, Suite 808
Detroit, MI 48226

Re: Neighborhood Advisory Council Letter of Support for the Michigan and Church Street Community Benefits Agreement

Ms. Trudeau:

The Michigan and Church Street Neighborhood Advisory Council (the "NAC") was established on Thursday April 1, 2021 for the purpose of participating in the Community Benefits Process, as required by the Detroit Community Benefits Ordinance (the "CBO"). As part of the Community Benefits Process, the NAC met with Seth Herkowitz representing Hunter Pasteur for Oxford Perennial (the "developer") and his team, City staff, and members of the public to better understand the proposed Michigan and Church Street Project, hear community concerns, and ultimately provide a list of impacts and concerns to the development team.

The developer ("Oxford Perennial"), which consists of Oxford Capital, Hunter Pasteur, and the Forbes Company, has placed under contract and/or acquired several parcels in the Corktown neighborhood. Site 1 is located at 1611 Michigan Avenue and Site 2 is located at 1501 Church Street. Oxford Perennial intends to develop a mixed-use, 188 unit apartment complex with 12,451 square feet of retail space, 7 Townhomes, and a 216 space parking garage.

Despite the challenges of the COVID-19 pandemic which required all meetings to be held virtually, the Michigan and Church Street Neighborhood Advisory Council engaged in extensive community outreach, conducted a neighborhood survey, and hosted several community meetings in addition to the 6 public CBO meetings organized by the Planning and Development Department. This community input informed the NAC's preparation of a Community Impacts Report in response to the proposed development. The Community Impacts Report was presented and reviewed with the public and the developer at CBO Public Meeting #5, held on Thursday, April 29th 2021 at 6:00pm. The NAC hosted a public meeting on Wednesday May 5th to review the developer's initial responses and then a follow up meeting with the developer on Friday May 7th to further discuss the proposal. The revised responses to the NAC Impact Report were presented by the developer and reviewed with the NAC and the public at CBO Public Meeting #6, held on Thursday May 13th, 2021 at 6:00pm.

The NAC is pleased to offer this letter of support for the approval of the Michigan and Church Street Project's Tier 1 Community Benefits Provision. The NAC welcomes the Michigan and Church Street Project to Corktown and looks forward to working with members of the City's administration and the development team to create a stronger community for all.

Sincerely,

The Michigan and Church Street Neighborhood Advisory Council



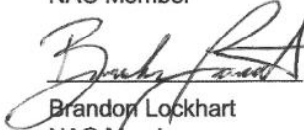
Debra Walker
NAC Member



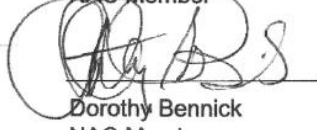
Hilliard Hampton III
NAC Member



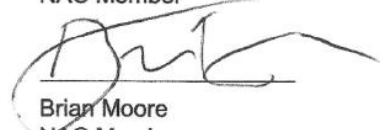
Taurean Thomas
NAC Member



Brandon Lockhart
NAC Member



Dorothy Bennick
NAC Member



Brian Moore
NAC Member



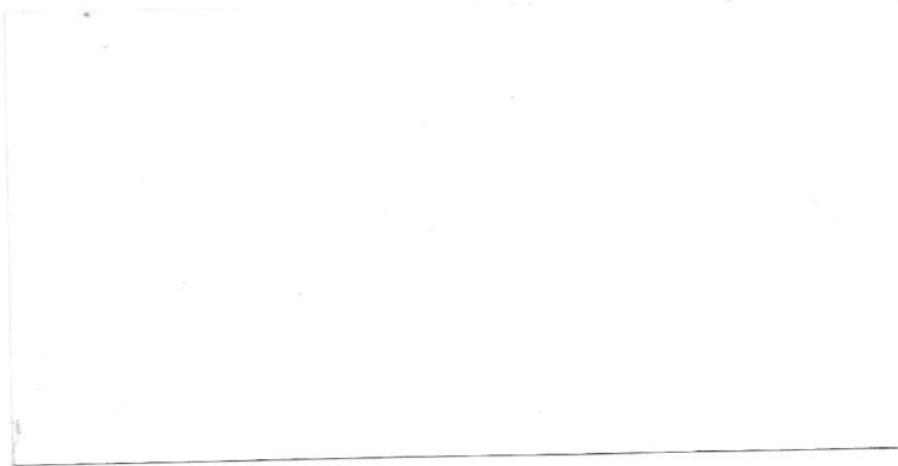
Bob Roberts
NAC Member



Maggie Shannon
NAC Member



David Esparza
NAC Member



Gerald Mangona

1248 Labrosse St
Detroit, MI 48226
(734) 717-2922
jmangona@gmail.com

21st April 2021

Debra Walker

Michigan and Church - Neighborhood Advisory Council

Dear Ms. Walker,

Thank you for representing those of us who reside in the “impact area” on the Neighborhood Advisory Council (NAC). I recognize that serving in this capacity is a significant investment in time and energy; your devotion to the good of our neighborhood is much appreciated as always.

I was able to attend much but not all of the recent meeting on Tuesday, April 20 and -- after a few days to reflect -- wanted to share with you my thoughts and reactions to the topics up for discussion. I begin with an admission of ignorance; my vocation is in matters of finance, thus some of these areas of debate are outside the domain of my day-to-day expertise. Second, there were people participating in this discussion for whom I have great respect -- any disagreement I may have with them is purely intellectual, not personal. Lastly, I have been wrong before and will be wrong again -- the thoughts below are based on my thinking as of today. Should more relevant information become available or in my awareness, it's possible that my positions on these questions may change. In short, I'm open to further discussion.

OVERVIEW

The Michigan and Church St Development is a big win for Corktown, its businesses, and its residents. The development will bring almost two hundred new units onto land which currently has significantly less economic activity. Those units will presumably add several hundred new residents as well as thousands of square feet of retail space, providing infill to an area of Michigan Avenue that is underutilized. This is precisely the type of injection of population density that solidifies Corktown as an urban center and distinguishes it from the automobile-centric, sprawling development that we generally see in the suburbs. With all due respect to our neighbors in the suburbs, I would prefer that Michigan Avenue become an economic corridor filled with bustling businesses, both local and national, on a

pedestrian-designed avenue rather than an eight-lane speedway with strip malls on both sides. How do we achieve this? Population density. And the reality in a place like Detroit is that even with population density, creating parking solutions with good urban design is still necessary to attract residents. A bustling residential complex with a parking garage designed for **safety, security, ground-floor amenities, and pedestrian-friendly traffic features** is a win. Finding a way to make sure that **community services** and **community amenities** are supported is a win.

The income taxes being paid by these residents and employees will allow this development to generate \$500,000 city income tax **every year**...not bad for what is essentially one city block. Those numbers do not include all of the taxes generated by the retail business activity, which only add to those numbers. I admit that I do not know how much tax gets generated by the mostly vacant land in its current state, but I highly doubt that it approaches anywhere near the amount above.

Finally, each of these residents is now bringing spendable money to our community, fueling our restaurants to re-open, new retail to re-open, and hundreds of jobs. Let's not forget that as an urban center, each of these residents will now be bringing in thousands of tourists from the neighboring suburbs as well as out-of-state guests. In fact, it's worth a reminder that our developers are from out of state. A successful project here is not limited to the millions of dollars we can see in the near-term. **This is the type of achievement that draws other businesses, other residents, other employers, and more jobs.** The multiplier effect in this cannot be ignored. If there be a way to successfully complete this development with consideration to the existing residents, *it would be a very costly mistake to pass up this opportunity.*

STORAGE BUILDING

The community would like the existing storage building to not be demolished and to be fully preserved as the single highest priority from community input. This also includes concerns related to the size of the garage.

The above language comes from the summary of community input dated April 14. I understand the desire to preserve historic structures in our community and purposely chose to live in a neighborhood governed by the Historic District Commission because I find aesthetic value in historic architecture. There is cultural significance of the historic architecture in Corktown as well as all throughout the city. Detroit has an amazing heritage of architectural significance, and I have over the years supported the gargantuan efforts of many to preserve, revive, and repurpose vacant buildings, factories,

warehouses, churches, and theaters. Whether it be the scope of projects like Michigan Central Station or smaller works such as the historic Third Precinct on Hunt Street, I am an avid supporter of “adaptive reuse” as a way to preserve some of the architectural jewels in our community.

That said, not all historic works are equally valued, nor is the economic case for adaptive reuse always equally feasible. Again, reiterating that I am not an expert in the field of historic architecture as well as some ignorance in these matters, I would remark that among all of the architectural tours on which I've attended in the city, not once can I recall any attention being spotlighted on the storage facility whose demolition is being proposed. Certainly, I respect those who oppose its demolition and would even say that I myself would prefer that some way to preserve the building be considered. But do we place its preservation value on par with that of the Workers' Row House? Or Michigan Central Station? Or the old Free Press Building?

In short, I do agree that in an ideal world we would find some way to preserve the storage building. But do I believe that preserving this should be our **highest** priority? Above safety/lighting? Above traffic control and noise pollution? Above walkability/ground-floor retail? Neighborhood amenities? Jobs and job training? Above the project itself? In this case, I can't say that I share that priority; and I believe that losing the overall development in order to save this building would be a mistake when instead we could be focusing on so many other ways to ensure community benefit.

AFFORDABILITY

There has been much discussion on the affordability of these units. I agree that housing affordability is a problem. As well we should acknowledge the existence of a much larger problem of poverty in our community. That said, my position is that this development is limited in its ability to solve those problems for some unique reasons. First, we should distinguish between housing that is intended to provide a social service as compared to that which is designed to mitigate and prevent displacement.

For example, it's one thing to ask a new Corktown restaurant to have some less-pricey menu options to be welcoming to the community. It's another thing altogether to ask them to operate as a soup kitchen two days per week. (Though a nearby church offers many badly needed social services, and I would completely want new economic activity to support their work). Real estate is no different. We certainly need more housing aimed at solving our social ills; I believe it needs to come from the city and state because our existing systems do not allow for the solutions to come solely from private businesses. Certainly the millions in new income tax revenue could be used to support this.

There is much debate about how affordability is calculated and much commentary about how its calculations are based on a large census tract which is not necessarily representative of most Detroiters. At the same time, we should recognize that if we were to erect buildings based on the affordability of most Detroiters, the buildings would never get built; the rental income generated would not support the construction of the building...and sometimes not even the maintenance of the buildings. This is not theoretical -- for those of living in Detroit for the last few decades, this has been our direct experience.

Furthermore, we are not talking about demolishing or emptying an existing residential building and replacing it with a new building and new tenants. The proposal being debated is essentially for land which is mostly unused.

Lastly, the type of development that would be the highest and best use of real estate on the Michigan Avenue corridor is likely to be so expensive to construct that it will likely exclude many; if we can mitigate that by even a little bit, we should call that a victory. Do I believe there should be more, safer housing for lower-income residents? Definitely. But to put that housing on the most highly-desirable parcels of real estate costs everyone more in the long run.

If our objective here is to make sure that we are encouraging lower income residents to be able to live here -- which I support -- then I think it's fair to accept a smaller number of units which support a rental rate low enough to house residents at 50-60% of AMI.

Michigan Avenue has the potential to be an economic powerhouse for Corktown, and I want to make sure that economic growth has a positive benefit for those who are being impacted by the changes. I would support that benefit coming in the form of training, job development, employment, safety, coordination and support of existing community and social services. *But to kill the proposal because some people wanted **forty** affordable units and the developer was only willing to give **twenty**...this would be short-sighted and to our detriment.*

CONCLUSION

This development has the potential to be a major, long-term benefit for Corktown and the people and businesses in Corktown. Serious energy should be spent to make sure that the development is providing **much-needed jobs and job-training to Detroiters**. We should find a way to ensure that the success of this project can provide increased financial support to **community resources and community programming**. The overall design of the project should promote Michigan Avenue as a corridor that is safe and desirable for

pedestrians to congregate and enjoy. This is more than simply re-paving a sidewalk and calling it “walkable”. It is a combination of **good urban design, ground-floor retail, outside seating and lighting, traffic control**...all areas where my expertise is limited. But I believe that focusing our energy there is advantageous compared to risking the project to save the storage facility, which would be a mistake. And rather than arguing about whether twenty units or forty units are affordable, let’s make sure that this development can find a way to benefit existing community resources that could benefit hundreds of residents. I believe this would be to the greatest good for the community.

Again, I appreciate your ear on this matter as well as all of your work to make sure our interests are being represented. As always, I am open to further discussion should you wish to continue the conversation.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald Mangona", with a stylized flourish underneath.

Gerald Mangona